



3015 (02-09-04)

ANNUAL REPORT

OF

Name: WAUNONA SANITARY DISTRICT 2

Principal Office: THURBER AVENUE
MADISON, WI 53714

For the Year Ended: DECEMBER 31, 1998

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
 FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Balance Sheet	F-05
Net Utility Plant	F-06
Accumulated Provision for Depreciation and Amortization of Utility Plant	F-07
Net Nonutility Property (Accts. 121 & 122)	F-08
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-09
Materials and Supplies	F-10
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-11
Capital Paid in by Municipality (Acct. 200)	F-12
Bonds (Acct. 221)	F-13
Notes Payable & Miscellaneous Long-Term Debt	F-14
Taxes Accrued (Acct. 236)	F-15
Interest Accrued (Acct. 237)	F-16
Contributions in Aid of Construction (Account 271)	F-17
Balance Sheet End-of-Year Account Balances	F-18
Return on Rate Base Computation	F-19
Return on Proprietary Capital Computation	F-20
Important Changes During the Year	F-21
Financial Section Footnotes	F-22
 WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Water Utility Plant in Service	W-08
Source of Supply, Pumping and Purchased Water Statistics	W-10
Sources of Water Supply - Ground Waters	W-11
Sources of Water Supply - Surface Waters	W-12
Pumping & Power Equipment	W-13
Reservoirs, Standpipes & Water Treatment	W-14
Water Mains	W-15
Water Services	W-16
Meters	W-17
Hydrants and Distribution System Valves	W-18
Water Operating Section Footnotes	W-19

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WAUNONA SANITARY DISTRICT 2**Utility Address:** THURBER AVENUE
MADISON, WI 53714**When was utility organized?** 4/30/1950**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: TERRY WEIMANS**Title:** CLERK**Office Address:**3325 THURBER AVENUE
MADISON, WI 53714**Telephone:** (608) 249 - 0705**Fax Number:****E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: VIRCHOW, KRAUSE & CO, LLP**Title:****Office Address:** VIRCHOW, KRAUSE & CO, LLPP.O. BOX 7398
MADISON, WI 53707-7398**Telephone:** (608) 249 - 6622**Fax Number:** (608) 249 - 8532**E-mail Address:** cpa@virchowkrause.com

Are records of utility audited by individuals or firms, other than utility employee? NO

Individual or firm, if other than utility employee, auditing utility records:

Name: NONE**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:****Date of most recent audit report:****Period covered by most recent audit:**

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: NONE**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:**

Name of utility commission/committee: UTLITY COMMISSION

Names of members of utility commission/committee:

HAROLD BOHNE

TOMAS CONTRERAS

BAINES T MONTGOMERY

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:****Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	99,274	82,933	1
Operating Expenses:			
Operation and Maintenance Expense (401)	74,523	92,902	2
Depreciation Expense (403)	2,010	1,990	3
Amortization Expense (404)	0	0	4
Taxes (408)	514	515	5
Total Operating Expenses	77,047	95,407	
Net Operating Income	22,227	(12,474)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	22,227	(12,474)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	3,341	1,850	9
Miscellaneous Nonoperating Income (421)	23,272	24,350	10
Total Other Income	26,613	26,200	
Total Income	48,840	13,726	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	48,840	13,726	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	0	0	
Net Income	48,840	13,726	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	160,789	147,063	19
Balance Transferred from Income (433)	48,840	13,726	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	209,629	160,789	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Interest on investments	3,341	4
Total (Acct. 419):	3,341	
Miscellaneous Nonoperating Income (421):		
Levy to City of Madison and Blooming Grove	9,998	5
Non-regulated sewer income	13,274	6
Total (Acct. 421):	23,272	
Miscellaneous Amortization (425):		
NONE		7
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		8
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		9
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		10
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		11
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		12
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	99,274	0	0	0	99,274	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	99,274	0	0	0	99,274	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	150,529	150,529	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	69,583	67,023	2
Net Utility Plant	80,946	83,506	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	153,099	153,099	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	107,388	104,638	4
Net Nonutility Property	45,711	48,461	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	45,711	48,461	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	108,976	55,395	8
Temporary Cash Investments (132)	45,774	23,330	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	26,571	48,522	11
Other Accounts Receivable (143)	363	363	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	35,603	35,639	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	217,287	163,249	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	343,944	295,216	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	209,629	160,789	23
Total Proprietary Capital	209,629	160,789	
LONG-TERM DEBT			
Bonds (221)	0		24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	33,599	33,511	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)	(237)	(37)	33
Total Current and Accrued Liabilities	33,362	33,474	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	100,953	100,953	38
Total Liabilities and Other Credits	343,944	295,216	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	150,529	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	150,529	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	69,583	0	0	0	9
Total Accumulated Provision	69,583	0	0	0	
Net Utility Plant	80,946	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	67,023				67,023	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	2,010				2,010	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	550				550	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	2,560	0	0	0	2,560	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	69,583	0	0	0	69,583	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	1.69%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	153,099			153,099	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	153,099	0	0	153,099	
Less accum. prov. depr. & amort. (122)	104,638	2,750		107,388	3
Net Nonutility Property	48,461	(2,750)	0	45,711	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	0 1
Other					0	0 2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility		0 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	<u>0</u>	<u>0</u>

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
<hr/>				
Unamortized debt discount & expense (181)				
NONE				1
Total			<u>0</u>	
<hr/>				
Unamortized premium on debt (251)				
NONE				2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		
NONE		2
Balance end of year	0	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	514	2
Charged electric department expense		3
Charged sewer department expense	406	4
Other (explain):		
NONE		5
Total Accruals and other credits	920	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	812	7
PSC Remainder Assessment	108	8
Other (explain):		
NONE		9
Total payments and other debits	920	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	45,500	0	0	55,453	0	100,953	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	45,500	0	0	55,453	0	100,953	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	26,571	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	26,571	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
Repairs	100	11
IRS overpayment	263	12
Total (Acct. 143):	363	
Receivables from Municipality (145):		
Balance from prior year	714	13
Tax levy	17,198	14
Public fire protection	8,902	15
Delinquent bills placed on tax roll	8,789	16
Total (Acct. 145):	35,603	
Prepayments (165):		
NONE		17
Total (Acct. 165):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Extraordinary Property Losses (182):	
NONE	18
Total (Acct. 182):	0
Other Deferred Debits (183):	
NONE	19
Total (Acct. 183):	0
Payables to Municipality (233):	
NONE	20
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	21
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	150,529	0	0	0	150,529	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	68,303	0	0	0	68,303	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	45,500	0	0	0	45,500	6
Other (specify):						
NONE					0	7
Average Net Rate Base	36,726	0	0	0	36,726	
Net Operating Income	22,227	0	0	0	22,227	8
Net Operating Income as a percent of Average Net Rate Base	60.52%	N/A	N/A	N/A	60.52%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	185,209	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	185,209	
Net Income		
Net Income	48,840	5
Percent Return on Proprietary Capital	26.37%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

The district's largest commercial customer's meter was calibrated in early 1998. This is the cause for the substantial increase in commercial usage/revenue. The meter may not have been measuring usage properly in prior years.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

July 30, 1999

Ms. Patricia Brenz, Clerk
Waunona Sanitary District Number 2
3325 Thurber Avenue
Madison, WI 53714-1631

Re: 1998 Analytical Review 6270 DWCCA PJJ

Dear Ms. Brenz:

The analytical review letter you received from the Public Service Commission (PSC), dated May 24, 1999, required a response within 30 days. As of today's date, we have not received a response to this letter. A copy of the letter is enclosed.

Please respond to this letter immediately. Failure to respond to an analytical review letter is in violation of Wisconsin Statutes § 196.07. If a response is not received by August 13, 1999, PSC staff will schedule a visit at your utility. The cost of this visit will be assessed to your utility.

If you have questions prior to preparing your response, please feel free to contact Peter J. Leege at (608) 267-9198.

Sincerely,

Clarence E. Mougín
Compliance Program Manager
Division of Water, Compliance, and Consumer Affairs

CEM:tlk:w:\compl\mougin\1998 ar response letters\6270 no response

Enclosure

cc: Harol Bohne

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

May 25, 1999

Ms. Patricia Brenz, Clerk
Waunona Sanitary District Number 2
3325 Thurber Avenue
Madison, WI 53714-1631

1998 Analytical Review DWCCA-6270-PJL

Dear Ms. Brenz:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1997 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. As instructed in the headnotes at the top of the Water Operation & Maintenance schedule on page W-5, please provide an explanation of the change in Account 650, Repairs of Water Plant from 1997 to 1998.
2. Wisconsin Administrative Code § PSC 185.76 requires periodic testing of customer meters to ensure their accuracy. In reviewing the annual reports we determined that not all of your water meters have been tested at the appropriate frequency. If these meters become inaccurate, considerable revenues are lost. During 1999 we advise your utility to test its meters in compliance with PSC 185.76. If you have questions, please contact Bruce Schmidt at (608) 266-5726.
3. The Commission adopted benchmark depreciation ranges during 1996, with the effective date of January 1, 1997. By letter dated January 22, 1997, with regard to analytical review of the 1995 annual report, your utility was provided with a schedule of depreciation rates for computing depreciation expense on each of the water utility plant accounts. A copy of these depreciation rates is enclosed. It appears that your utility did not use the authorized depreciation rates during 1997 and 1998, as indicated below

For 1997, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$3,023, whereas only \$2,538 is reported on page F-7, lines 4 and 6. The apparent under accrual is \$485. If a 2.00 percent composite rate is used rather than applying individual rates, the under accrual is \$465.

For 1998, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$3,023, whereas only \$2,560 is reported on page F-7, lines 4 and 6. The apparent under accrual is \$463. If a 2.00 percent composite rate is used rather than applying individual rates, the under accrual is \$443.

FINANCIAL SECTION FOOTNOTES

We highly recommend that these under accruals be recorded as adjusting journal entries during 1999 by debiting Account 435, Miscellaneous Debits to Surplus, and crediting Account 110, Accumulated Depreciation. This will more properly reflect exhaustion of service life of plant assets so that retirement losses will not occur in the future. If your utility does not adopt the authorized benchmark depreciation rates, the utility's file at the PSC will be updated to indicate this fact, and this would be a consideration in future rate cases if amortization of retirement losses was requested by your utility. Please state your intentions with regard to this matter.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\1998 analytical review letters\5 25 1999 rev letters.doc

Reply recieved on 9/13/99

#1, a/c 650 decreased due to a decrease in the repairs needed in comparison to prior years.

#2, they intend to comply in the future.

#3, they wrote, "Due to the immateriality of the under accrual amounts the utility does not plan to make any adjustments for prior year estimates. The utility will use the 2% composite rate in future years.

Review closed.

PJL

WATER OPERATING REVENUES & EXPENSES

Particulars (a)		Amounts (b)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)		97,932	1
Total Sales of Water		97,932	
Other Operating Revenues			
Forfeited Discounts (470)		967	2
Other Water Revenues (474)		375	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues		1,342	
Total Operating Revenues		99,274	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)		65,942	5
General Operating Expenses (680-690)		8,581	6
Total Operation and Maintenance Expenses		74,523	
Other Operating Expenses			
Depreciation Expense (403)		2,010	7
Amortization Expense (404)			8
Taxes (408)		514	9
Total Other Operating Expenses		2,524	
Total Operating Expenses		77,047	
NET OPERATING INCOME		22,227	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	378	20,709	30,921	4
Commercial	42	53,033	53,524	5
Industrial				6
Total Metered Sales to General Customers (461)	420	73,742	84,445	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		8,902	8
Other Sales to Public Authorities (464)	10	4,066	4,585	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	431	77,808	97,932	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	8,902	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	8,902	
Forfeited Discounts (470):		
Customer late payment charges	867	5
Other (specify):		
miscellaneous and reconnection fees	100	6
Total Forfeited Discounts (470)	967	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	375	7
Other (specify):		
NONE		8
Total Other Water Revenues (474)	375	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	2,295	1
Purchased Water (610)	46,771	2
Fuel or Power Purchased for Pumping (620)		3
Chemicals (630)		4
Supplies and Expenses (640)	2,372	5
Repairs of Water Plant (650)	14,504	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	65,942	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	3,768	8
Office Supplies and Expenses (681)	2,063	9
Outside Services Employed (682)	1,123	10
Insurance Expense (684)	661	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	966	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	8,581	
Total Operation and Maintenance Expenses	74,523	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		406	3
PSC Remainder Assessment		108	4
Other (specify): NONE			5
Total tax expense		514	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)
INTANGIBLE PLANT		
Organization (301)	374	1
Franchises and Consents (302)	0	2
Miscellaneous Intangible Plant (303)	0	3
Total Intangible Plant	374	0
SOURCE OF SUPPLY PLANT		
Land and Land Rights (310)	1	4
Structures and Improvements (311)	3,556	5
Collecting and Impounding Reservoirs (312)	0	6
Lake, River and Other Intakes (313)	0	7
Wells and Springs (314)	0	8
Infiltration Galleries and Tunnels (315)	0	9
Supply Mains (316)	0	10
Other Water Source Plant (317)	1,044	11
Total Source of Supply Plant	4,601	0
PUMPING PLANT		
Land and Land Rights (320)	0	12
Structures and Improvements (321)	0	13
Boiler Plant Equipment (322)	0	14
Other Power Production Equipment (323)	0	15
Steam Pumping Equipment (324)	0	16
Electric Pumping Equipment (325)	0	17
Diesel Pumping Equipment (326)	0	18
Hydraulic Pumping Equipment (327)	0	19
Other Pumping Equipment (328)	0	20
Total Pumping Plant	0	0
WATER TREATMENT PLANT		
Land and Land Rights (330)	0	21
Structures and Improvements (331)	0	22
Water Treatment Equipment (332)	0	23
Total Water Treatment Plant	0	0
TRANSMISSION AND DISTRIBUTION PLANT		
Land and Land Rights (340)	0	24
Structures and Improvements (341)	0	25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			374	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	374	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			1	4
Structures and Improvements (311)			3,556	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			0	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			1,044	11
Total Source of Supply Plant	0	0	4,601	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			0	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			0	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	0	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	82,023		27
Fire Mains (344)	0		28
Services (345)	19,980		29
Meters (346)	27,418		30
Hydrants (348)	12,151		31
Other Transmission and Distribution Plant (349)	265		32
Total Transmission and Distribution Plant	141,837	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	2,845		34
Office Furniture and Equipment (372)	253		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	619		38
Other Tangible Property (390)	0		39
Total General Plant	3,717	0	
Total utility plant in service directly assignable	150,529	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	150,529	0	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			82,023 27
Fire Mains (344)			0 28
Services (345)			19,980 29
Meters (346)			27,418 30
Hydrants (348)			12,151 31
Other Transmission and Distribution Plant (349)			265 32
Total Transmission and Distribution Plant	0	0	141,837
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			2,845 34
Office Furniture and Equipment (372)			253 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			619 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	3,717
Total utility plant in service directly assignable	0	0	150,529
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	150,529

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January				0	1
February				0	2
March				0	3
April				0	4
May				0	5
June				0	6
July				0	7
August				0	8
September				0	9
October				0	10
November				0	11
December	69,229			69,229	12
Total for year	69,229	0	0	69,229	
Less: Measured or estimated water used in main flushing and water treatment during year					13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				69,229	16
Less: Water sold				77,808	17
Losses and unaccounted for				(8,579)	18
Percent unaccounted for to the nearest whole percent (%)				-12%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				250	21
Date of maximum: 7/1/1998					22
Cause of maximum:					23
Estimate based on a daily average using total gallons used during the year. Meter is read 2 times yearly by the City of Madison Water Utility.					
Minimum gallons pumped by all methods in any one day during reporting year				150	24
Date of minimum: 2/1/1998					25
Total KWH used for pumping for the year				0	26
If water is purchased: Vendor Name: CITY OF MADISON WATER UTILITY					27
Point of Delivery: FAIR OAKS & MILWAUKEE EAST WASHINGTON & COMMERCIAL					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
-------------------------	--	----------------------------------	--	---	--

NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Identification Number (b)	Intakes			Diameter in inches (e)
		Distance From Shore in feet (c)	Depth Below Surface in feet (d)		
NONE					

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------	-----------------------	-----------------------	-----------------------

NONE

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------	-----------------------	-----------------------	-----------------------

NONE

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	2.000	1,195	0	0	0	1,195
M	D	6.000	20,053	0	0	0	20,053
M	D	10.000	2,487	0	0	0	2,487
Total Within Municipality			23,735	0	0	0	23,735
Total Utility			23,735	0	0	0	23,735

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	379	0	0	0	379		1
M	0.750	1	0	0	0	1		2
M	1.000	2	0	0	0	2		3
M	1.500	8	0	0	0	8		4
M	2.000	2	0	0	0	2		5
Total Utility		392	0	0	0	392	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	406	0	0	0	406	1	1
0.750	8	0	0	0	8	0	2
1.000	11	0	0	0	11	0	3
1.500	9	0	0	0	9	0	4
2.000	2	0	0	0	2	0	5
3.000	1	0	0	0	1	0	6
Total:	437	0	0	0	437	1	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	378	21	0	2	0	5	406	1
0.750	0	6	0	2	0	0	8	2
1.000	0	4	0	6	0	1	11	3
1.500	0	8	0	0	0	1	9	4
2.000	0	2	0	0	0	0	2	5
3.000	0	1	0	0	0	0	1	6
Total:	378	42	0	10	0	7	437	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0	0	0	0	0	1
Within Municipality	27	0	0	0	27	2
Total Fire Hydrants	27	0	0	0	27	
Flushing Hydrants						
	0	0			0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year: 27

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

NONE